GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1512
ANSWERED ON:01.12.2006
TAX REBATE TO BUILDERS OF NEW AIRPORTS
Dhotre Shri Sanjay Shamrao;Gawali Smt. Bhavana Pundlikrao

Will the Minister of FINANCE be pleased to state:

(a)Whether the Government provides or propose to provide tax rebate to organizations engaged in setting up of new airports; and

(b) If so, the details thereof ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM)

(a)&(b) Section 80-IA of the Income-tax Act provides for 100% deduction of profits & gains derived by an enterprise from the business of

(i) development; or
(ii) operation & maintenance; or
(iii) development, operation and maintenance, of any infrastructure facility, if the following conditions are fulfilled:-

(a) The enterprise is owned by a company registered in India or by a consortium of such companies or by an authority or a board or a corporation or any other body established or constituted under any Central or State Act ;

(b) The enterprise has entered into an agreement with the Central Govt. or a State Govt. or a local authority or any other statutory body,for developing or operating and maintaining or developing, operating and maintaining a new infrastructure facility

(c) The enterprise starts operating and maintaining the infrastructure facility on or after 1.4.1995 ;

Infrastructure facility, as defined for this purpose, includes a port, airport, inland waterway or inland port.The deduction is available for 10 consecutive assessment years out of 15 years beginning from the year in which the enterprise develops and begins to operate the infrastructure facility in the nature of port, airport, inland waterway or inland port.